



U.S. Immigration  
and Customs  
Enforcement

November 18, 2004

# News Release

## **LOS ANGELES FIRM SENTENCED FOR ILLEGALLY EXPORTING MILITARY AIRCRAFT PARTS TO CHINA**

**WASHINGTON, D.C.** – A federal judge here today ordered a Los Angeles aircraft parts supplier to pay a \$500,000 fine and serve five years of corporate probation for illegally exporting military aircraft and missile parts to China in violation the Arms Export Control Act.

Interaero, Inc. pleaded guilty August 17, 2004, to a one-count Information charging a violation of the Arms Export Control Act following a five-year investigation by U.S. Immigration and Customs Enforcement (ICE) and other federal agencies.

In pleading guilty, the Westlake Village company admitted to exporting six shipments of military aircraft and missile parts valued at more than \$40,000 to the People's Republic of China between June 2000 and March 2001, without the required Department of State export licenses. Those shipments included parts for F-4 Phantom Fighters, F-5 Phantom/Tiger Fighters, and Hawk Missiles.

In sentencing the firm, Judge John Garrett Penn said, "Money speaks louder than patriotism in some cases and I am disappointed that that would be the case for this company."

Today's sentence is the ninth, in California and the District of Columbia, resulting from an undercover investigation targeting aircraft parts suppliers who sell defense articles and military parts over the internet to foreign buyers without obtaining export licenses or complying with the arms embargoes.

"Companies seeking to profit at the expense of our national security are priority targets for ICE and the Department of Homeland Security. The sensitive items that were illegally exported by this company are controlled for good reason -- in the wrong hands, they pose a threat to U.S. forces abroad and to Americans at home," said Loraine Brown, special agent-in-charge for ICE investigations in Los Angeles.

The military aircraft parts supplied by Interaero were advertised on the Inventory Locator Service, a subscription computer database on which aircraft parts suppliers advertise the parts they can supply. Interaero offered to sell commercial and military aircraft parts that require an export license.

The particular military aircraft for which these parts were ordered are older American planes used by countries, such as Iran, which cannot obtain new planes or equipment for the older planes due to embargoes on their countries. These aircraft are well recognized by those in the aircraft industry and lawful suppliers question carefully any buyer who seeks parts for them.

In this case, Interaero knew it was dealing with a buyer from the People's Republic of China (PRC) and was also aware that the buyer intended to sell the parts to Iran. Nevertheless, Interaero shipped the parts to the PRC without making any effort to obtain an export license.

Under the Arms Export Control Act and International Traffic in Arms Regulations, transfer of military aircraft parts is prohibited without an export license for reasons of our national security. There are currently embargoes in place against the transfer of such parts to the People's Republic of China and Iran. Because of the embargoes, it is illegal to sell or transfer or propose to sell or transfer any defense articles to the PRC or Iran or to any person acting on behalf of a Chinese or Iranian entity without a license. The Department of State policy is to deny all export licenses to the PRC or Iran.

In addition to ICE, the five-year investigation into Interaero also involved the Naval Criminal Investigative Service and the Defense Criminal Investigative Service.

# ICE #

*U.S. Immigration and Customs Enforcement is the largest investigative arm of the Department of Homeland Security.*